

2005

Central/Highland/Upper Nob Hill



Metropolitan Redevelopment Plan



Draft

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City Administration

Mayor
Martin J. Chavez

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Nicholas S. Bakas

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Eric Griego

District 5
Michael J. Cadigan

District 6
Martin Heinrich

District 7
Sally Mayer

District 8
Craig Loy

District 9
Tina Cummins

ACKNOWLEDGEMENTS

MR Plan prepared by:

Richard Dineen, AIA
Director, Planning Department, City of Albuquerque

Cynthia Borrego, MPA
Manager, Metropolitan Redevelopment Agency, City of Albuquerque

Kim Calendar, MCRP
Project Manager, Metropolitan Redevelopment Agency, City of Albuquerque

Master Plan prepared by:

Bill Dennis, David Day, Xiajiam He, Zeke Mermell
Moule & Polyzoides Architects and Urbanists

Peter Swift, Transportation Planner
Swift Associates, LLC

Bob Gibbs, Retail Strategist
Gibbs Planning Group

Key Support provided by:

Nob Hill-Highland Renaissance Corporation
Rob Strell, President; Will Gleason, Vice President; Michelle Negrette, Secretary; Orville Pratt, Treasurer; Page Coleman, Laura Cordova, Richard Macpherson, Nick Manole, Jon Messier

Claude Morelli, AICP
Planning Consultant

Marianne Dickinson
Public Involvement and Outreach Consultant

New Mexico Mainstreet Program
Rich Williams, Director; Susan Freed, Program Associate; Jan Kindel, Program Associate

With the assistance of:

Norm Gagne
Highland Business and Neighborhood Association
Nob Hill Neighborhood Association
Nob Hill Business Association
Walk Albuquerque
Albuquerque Alliance for Active Living

Prepared for the Albuquerque Development Commission:

Alex Romero, Chairman
Vangie Gabaldon
Doug Turner
Will Ferguson

2005 Central/Highland/Upper Nob Hill Metropolitan Redevelopment Plan

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Central/Highland/Upper Nob Hill MRA

EXECUTIVE SUMMARY

A Metropolitan Redevelopment Area (MRA) has been created in a “blighted” portion of the Central/Highland/Upper Nob Hill area. The MRA covers an area from Carlisle to San Mateo and from Copper to Zuni, the western portion of which is also in the Nob Hill Sector Development Plan area (see map on previous page). The Metropolitan Redevelopment (MR) Code defines blight as an area where “a significant number of commercial or mercantile businesses have closed or significantly reduced their operations due to the economic losses or loss of profit due to operating in the area”. The Central/Highland/Upper Nob Hill area boundaries were approved as an MRA in 2002. There are now numerous powers available to a city under the MR Code that can be used for the purpose of redevelopment. These powers consist mainly of the right to acquire property by purchase or eminent domain then authorizes the lease or sale of the property to a qualified developer to redevelop it in accordance with a request for proposals issued by the city.

This MR Plan is an update to the MR Plan that was adopted in 2003 by City Council. The updated plan, with the addition of the Master Plan developed by Moule and Polyzoides Architects/Urbanists, provides two essential ingredients for redevelopment in the Central/Highland/Upper Nob Hill area:

1. A vision for what the area could look like in 5 to 20 years.
2. Tools to implement the appropriate type of development.

The goal is to create a place that is both identifiable for its unique Route 66 character and is a livable, walkable, mixed-use and vibrant economic and residential part of Albuquerque.

The MR Plan, including the attached Master Plan, is the culmination of a public design process and previous planning efforts by City government, businesses, and residents. It includes information from the 2003 MR Plan, the De Anza Market Study, the Albuquerque Bernalillo County Comprehensive Plan, the Nob Hill Sector Development Plan, and a design workshop held in the winter of 2004. The Master Plan analyzes the assets and liabilities of the project area and then offers recommendations and regulations that can be applied to the properties in the area to guide and encourage redevelopment.

The design and regulations shown in the attached Master Plan are only recommendations in the adoption of the Metropolitan Redevelopment Plan. The design and regulations, after further discussion, can be revised and implemented as part of the Nob Hill Sector Development Plan update. Customized design regulations for the area along Central Avenue, between Carlisle Boulevard and Washington Street, will be developed in the Sector Plan update process.

Key elements of the attached Master Plan include:

- Illustrative map: Vision for the area
- Suggested catalytic projects: De Anza Motel and Hiland Theater areas.

- Master Plan components: retail, streets and sidewalks, parking, landscaping, and affordable housing strategies.
- Implementation strategies: such as regulations and form-based development code.

These elements are critical building blocks for development of a great place.

Moule and Polyzoides Architects/Urbanists, along with a nationally respected transportation engineering specialist, brought their expertise in designing urban environments to develop the Master Plan in cooperation with area residents and businesses at the design workshop. Development of the Master Plan was guided by a set of New Urbanist design principles that follow the philosophy of restructuring urban places to become more oriented to pedestrians, high-quality public transit, and a diverse mix of living, working, and shopping opportunities.

The Master Plan incorporates a form-based approach to design. The form-based approach represents a distinct departure from the status quo approach to development, which segregates land uses (i.e., prohibits land-use mixing) and is generally oriented much more to automobiles than pedestrians.

The Master Plan reflects opinions expressed by a large number of people who participated in a design workshop process that took place in February of 2004. Through a series of exercises and feedback loops, their hopes and concerns were incorporated directly into the Master Plan. Sentiments expressed by a majority of the participants included:

- *Mixed-Use Development and Design Character.* Mixed-use development is desirable, with new construction at a somewhat higher density than in Nob Hill. A generic “anywhere America” quality should be avoided and the “Route 66” character should be preserved along Central Avenue.
- *Shopping Opportunities.* The Upper Nob Hill/ Highland neighborhood should become a walkable and shop-able place again. Many existing stores, motels, streets and sidewalks are in poor condition, and there is currently a lack of stores serving routine shopping needs.
- *Traffic and Streets.* Speeding traffic and high levels of traffic noise are problems. Busy streets create undesirable divisions through the neighborhood.
- *Pedestrians and Bicycles.* There is a great need to improve walkability and bicycling. Pedestrians and bicyclists face many difficulties crossing streets and circulating through the area. Sidewalks and civic spaces are currently degraded or hazardous.
- *Public Transit.* There is a need for higher quality public transit service and station/ stop facilities in the area.

- *Parking.* There is not enough on-street parking along Central Avenue for businesses and customer parking in residential areas is problematic.
- *Housing and Residential Impacts.* More housing opportunities are needed, but affordability should be preserved and existing residential areas should be buffered from commercial ventures.

The Master Plan offers a design that addresses these concerns in a holistic, interconnected manner. It must therefore be understood as a whole. First, the Illustrative Master Plan and Regulations recommend moving mixed-use buildings to the sidewalk, locating parking along the streets and at the rear of lots, and allowing a modest increase in the heights of buildings. Houses and businesses are mixed on the main corridors so as to enable a variety of incomes and businesses to move into the area. And, businesses of similar types are encouraged to congregate in groups to focus shopping energy and create districts within the larger neighborhood that add character.

The Master Plan calls for the reconstruction of Central Avenue based on a new design that includes four traffic lanes, on-street parking, roundabouts, wider sidewalks, and a new centrally located alameda. The design is intended to ensure that traffic moves at reasonable speeds, while maintaining the number of cars the road can carry and greatly improving the aesthetics and economic vitality of the roadway corridor. Other street improvements are offered to help walkability and reduce speeds throughout the rest of the neighborhood. These recommendations may be altered with the implementation of the Rapid Transit Plan.

The Master Plan recommends establishing a Park-Once District to address the parking issue. Parking would be included on the streets, in parking courts, and (eventually) in structures. Parking ratios are reduced to reflect shared parking opportunities and the reduced need for parking that results from a mixed-use, walkable, and transit-oriented area.

The Master Plan recommends landscape changes that involve the re-creation of major streets into the public realm with alamedas, street trees, and roundabouts as markers on Central. Existing open spaces are to be improved by partnerships between the City and Highland High School. Several new parks are also proposed.

The Nob Hill community west of this area has had considerable success in creating and maintaining a pedestrian oriented shopping destination of boutiques, bakery/cafes, restaurants, and entertainment venues that are active into the evening. Central Avenue, east of Carlisle, however, has been characterized by auto oriented and pedestrian unfriendly uses. Constraints to development for the commercial corridor include public perception problems, a relatively high rate of adult businesses in the area, and competition from neighboring big box retailers. Opportunities for the MRA include its location along historic Route 66, the high per capita income in the surrounding residential area and its proximity to tourist destinations in Nob Hill.

Earlier planning efforts through the Main Street Program, with community support and participation, were instrumental in stimulating revitalization of the Nob Hill area. Community and non-profit organizations such as the Highland Business & Neighborhood Association, Nob Hill Neighborhood Association, Nob Hill Business Association, Nob Hill/Highland Renaissance Corporation, and the Main Street Program are active in the Highland/Central/Upper Nob Hill MR Area and are making valuable contributions towards redevelopment.

The adoption of the MR Plan will allow the City to set development policy for the targeted area, will meet certain statutory obligations and open new development opportunities as stated in the State Metropolitan Redevelopment Code, Article 60A.

VISION STATEMENT

The Metropolitan Redevelopment Plan for the Central-Highland-Upper Nob Hill Area seeks to create a place that is both identifiable for its unique Route 66 character and is a livable, walkable, mixed-use and vibrant economic and residential part of Albuquerque.

PLAN STRATEGIES

1. Improve the aesthetics, vitality, and public image of the plan area.
2. Encourage the development of a fine-grained mix of pedestrian-oriented land uses, including both residential and commercial.
3. Attract public and private investment to stimulate commercial revitalization.
4. Attract businesses that compliment and expand the range of existing goods and services.
5. Redevelop or find adaptive re-uses for vacant and underutilized properties.
6. Provide a wide range of viable transportation choices, including high-quality public transit, walking, bicycling, and vehicular systems.
7. Provide a safe and secure environment for residents, businesses, and visitors.
8. Identify and preserve the existing desirable characteristics of adjacent residential areas.
9. Recognize and preserve buildings and areas of architectural and environmental significance.

INTRODUCTION

Metropolitan Redevelopment Code and Plan Purpose

The State Metropolitan Redevelopment Code (3-60-1 to 3-60A-48 NASA 1978) provides cities in New Mexico with the powers to correct conditions in areas or neighborhoods within municipalities, which substantially conflict or arrest the sound and orderly development in the city. These powers can help reverse an area's decline and stagnation; however, they can only be used within the designated Metropolitan Redevelopment Areas.

Designation of a Metropolitan Redevelopment Area is based on findings of slum or blighted conditions, as defined in the Metropolitan Redevelopment Code (3-60-8). The criteria for a blighted area in the Code can be divided into two major groups: physical conditions and economic conditions. An area is considered blighted when it contains “the presence of a substantial number of deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, unsanitary conditions, deterioration of the site or improvements, and diversity of ownership”. Also highlighted in the definition of blight is an area where “a significant number of commercial or mercantile businesses have closed or significantly reduced their operations due to the economic losses or loss of profit due to operating in the area, low levels of commercial or industrial activity or redevelopment.

The Central/Highland/Upper Nob Hill Metropolitan Redevelopment Area (MRA) boundary was created in 2002 which, as a designated blighted area, qualified it as appropriate for redevelopment projects under the City’s Metropolitan Redevelopment Code. Metropolitan Redevelopment projects are activities designed to eliminate slums or blighted areas that conform to an approved plan for rehabilitation and conservation.

A very basic Central/Highland/Upper Nob Hill Metropolitan Redevelopment Area (MRA) Plan was adopted in 2003 that is now being updated with this addendum. The Plan proposes to eliminate problems created by blight and indicates activities recommended for the area including land acquisition, demolition, zoning and land uses, traffic controls, recreational and community facilities, housing, commercial and industrial facilities, and public transportation.

The MR Plan provides tax incentives that include a wide variety of mechanisms to encourage redevelopment through the use of public taxation tools. These often take the form of tax credits or tax deferrals. By crediting or deferring taxes to be paid on property, income, or sales, governments create incentives for businesses to act on redevelopment opportunities. Conversely, special tax programs can be used specifically to fund improvement in the area benefited by the tax. The City can take advantage of either option, but would choose the approach that would provide the best benefit to the community.

The powers afforded a city under the Metropolitan Redevelopment Code are numerous, but mainly consist of the power to acquire property (which is tax-exempt as long as the city owns it) by purchase or eminent domain, refurbish or replace it, and then lease or sell the new or remodeled property to a qualified developer in response to a request for proposals issued by the city. The city may issue tax-exempt revenue bonds or may employ tax increment financing to finance the redevelopment project.

Context and History

History of Motels along Route 66

The history of Albuquerque's Central Avenue motels, including those within the Near Heights MRA, is the history of Route 66 and America's love affair with the private automobile. In 1910, two years after auto pioneer Henry Ford introduced the "Model T," there were almost half a million registered motor cars in the United States. By the 1920's, the U.S. Department of Agriculture saw a need to connect the east and west coasts of the North American continent with a highway that could be traveled by the sixteen million cars then owned by Americans. Advocates of good roads, among them Oklahoma State Highway Commissioner Cyrus Avery, sought to devise new routes and to create a federal highway commission to guide their construction and maintenance. Route 66 was largely Avery's brainchild, born of his expressed desire to improve the road network, mostly in the West, where it was an archaic hodgepodge of tracks, trails, lanes, and paths established over time by the Native American, Hispanic, and Anglo settlers, and French and American traders.

Not surprisingly the new road would pass through Avery's home state of Oklahoma, bringing with it the hope of prosperity to communities along the right of way. The Great Depression intervened. Combined with droughts and sandstorms, the economic downturn of the thirties drove millions from the Oklahoma's Dust Bowl onto the route in the direction of California. John Steinbeck recounted this period in 1939 in "The Grapes of Wrath," the saga of the Joad family's journey from Oklahoma to California. In the novel, Steinbeck dubs Route 66 the "Mother Road."

By 1938, pavement along Route 66 was complete. With the Great Depression ebbing and propositions for war on the horizon, prosperity did come to communities through which the new highway passed. What were once livery stables or blacksmith shops and even private homes became automobile repair stations and roadside oases for weary travelers. The displacement caused by the mobilization for the Second World War and the advent of the automobile created a new breed of nomads free to explore the North American continent. Fuel tanks thirsty for gasoline and radiators in need of water inspired entrepreneurs to serve the needs of auto travelers.

As early as the 1920s, many towns along Route 66 set up organized roadside camps to accommodate travelers who chose to spend the night. The next innovation in overnight shelter was the roadside cabin. Often very simple, four walls and a roof with outdoor restroom facilities, thousands of cabin clusters were built along the highways by the 1930s, along with mom and pop restaurants that served box lunches and fried chicken for the road. West Coast architect Arthur Heinemann is credited with combining the words "Motor" and "Hotel" to create the name for the most popular destination of the American motorist by the 1950s, the ever present motel lit up with a neon-sign. The new roadside architecture and neon signage would evolve quickly into particularly American art forms. With the continued improvement of the interstate highway system and the phenomenal prosperity of the American economy in the mid-twentieth century, a fierce competition

began between roadside marketers. Larger and more elaborate signs and more peculiar buildings were needed to attract tourists.

A stable post war economy brought with it increased prosperity and more leisure and mobility to many Americans. Route 66 soon became too narrow to accommodate the increase in traffic, and accidents along the highway were numerous. In 1956, the Interstate Highway Act heralded the replacement of the old roads by Interstate Highways with several lanes, inspired by the German Autobahns that had impressed American troops with their efficiency during the war. The interstate system was the death knell for many commercial areas situated between the larger cities and for many of the roadside businesses along Route 66. In Albuquerque, Route 66 was replaced by Interstate 40, and new commercial centers were located near exits and entrances to the new highway.

THE NEED FOR REVITALIZATION

The MRA was established in the Central/Highland/Upper Nob Hill neighborhoods to combat problems that undermine the economic and social vitality of the community. The MRA exhibits a combination of factors that contribute to a blighted condition.

Low Levels of Commercial

Upper Nob Hill and Highland central business districts, located along Central Avenue between Carlisle and San Mateo, share many similar characteristics with aging main streets across the country. A result of the “Route 66” migration, the area flourished as it responded to the demands of passing motorists. Later, as the residential areas of Albuquerque expanded eastward, stores, theaters, and restaurants as well as other business enterprises began to dominate Central. However, as development trends shifted, many of the small local businesses in the area began to have difficulty competing with larger and newer national businesses. As a result, many have closed their doors and blight throughout the area persists. These factors, when taken together, form a persuasive argument for revitalization efforts in the area.

Aging Motels as a Blighting Factor in the Area

The prevalence of motels along Central Avenue is an issue the entire city is facing. Most motels along Central were built in response to a demand for rest stops for weary motor travelers along the historic Route 66. The motels are a remnant and celebration of the American love affair with the automobile. Many are typical highway tourist cabins and motor courts of the 1930s and 1940s. However, when interstate highways replaced smaller roads as the primary means for traversing the country, Route 66 became more of a nostalgic icon than a highly traveled byway. As a result, the motels became underutilized and aging structures. Individual aging Route 66 motels have at times become the base of operations for prostitution and drug trafficking, causing the Albuquerque City Council in 1997 to expand its definition of properties contributing to “nuisance” activities. Criminal activities at specific motel locations as well as the age of the motels contribute to the dampened economic conditions in the area. Newer chain hotels that are located conveniently near interstate ramps and are competitively priced hurt motel business in the MRA, forcing owners to lower their rates. There is only a

small margin for dropping rates while remaining profitable, however, and this competition adds to the economic downward trend already evident in the area. Implementing niche marketing strategies to bolster the existing hospitality industry, renovating historic motel properties, or alternatively, finding new uses for the historic buildings are key to economic revitalization of the area.

Current State of Commercial Development in the MRA

The commercial areas of the MRA run along Central Avenue (the historic Route 66). The community west of the area, known as Nob Hill, has had considerable success becoming a pedestrian oriented shopping destination of boutiques, bakery/cafes, restaurants, and entertainment venues that are active into the evening. Central Avenue east of Carlisle, however, is characterized by auto oriented and pedestrian unfriendly uses.

Constraints and Opportunities

Constraints to development for the commercial corridor include public perception problems, a relatively high rate of adult businesses in the area, and competition from neighboring big box retailers. Opportunities for the MRA include its location along Central Avenue and its proximity to tourist destinations in Nob Hill.

Constraints

Public Perception

Constraints to commercial development in the area include a historic and perceived high crime rate and associated negative press coverage.

Adult Businesses

Another constraint for development related to public perception of the area is the high concentration of adult businesses in the area. Historically in Albuquerque, adult entertainment venues clustered in specific areas and targeted patrons outside the immediate area. In 1980, the City of Albuquerque regulated the location and concentration of adult entertainment businesses through the amended Zone Code. The Zone Code states that there must be 1000 feet between adult entertainment establishments and that there must be 500 feet between an adult entertainment establishment and a school, church or residentially zoned property. This applied to any business coming to the area after 1980. However, within the Metropolitan Redevelopment Area, there are some non-conforming uses that pre-date the code. Under a settlement between the businesses and the City, these businesses were allowed to remain in place, leading to a higher concentration of adult businesses in the MRA than in newer areas of the city.

Big Box Retailers

Regardless of products being sold, all merchants in the area are vulnerable to competition from larger “superstores” nearby and outside the neighborhood, including Wal-Mart, Target, Home Depot, and others off Eubank and I-40. Neighborhood merchants are vulnerable particularly because these types of stores are newer, are open longer, are more accessible to highway traffic, have free and available parking, and provide “one-stop” shopping. The MRA covers a more developed part of Albuquerque, where stores are older and maintenance costs higher. Stores are limited to on-street parking, in many

cases, and have no capacity to stay open for 24 hours or to sell a wide variety of merchandise.

Opportunities

The MRA's neighbor to the west, the Nob Hill area, has capitalized on aspects that make small, locally owned retail shops more attractive to consumers than big box retail. Through revitalization, façade improvements, and retailers who serve a unique and specialized market niche, Nob Hill has boomed with successful retail, restaurants and services. A similar opportunity could be present for the Central/Highland/Upper Nob Hill MRA. An upgrade to the City's transit system utilizing a modern streetcar/light rail system is being designed at this time with Central Avenue as a one of the proposed locations. This type of transit system has spurred revitalization and boosted property values in many cities and could act as a catalyst for redevelopment in the MRA.

Route 66

Another strength to build upon is the MRA's central transportation feature, historic Route 66. Used as a thoroughfare since 1926, when U.S. Highway 66 was first established, Central Avenue has served as an icon of the automobile and cross-country travel. It has figured prominently in Albuquerque's history and was celebrated at the Route 66 Jubilee in the summer of 2001. The Jubilee attracts tourism and may serve as an impetus for revitalization all along Central Avenue. There is a possibility that the Jubilee could be an annual event thus adding to revitalization opportunities. In addition, an overall streetscape theme for East Central Avenue would benefit the neighborhood businesses and could be realized with participation in the Façade Improvement Program or the Scenic Byway Program. Historic preservation advocates have lobbied the National Parks Administration to establish Route 66 as an historic monument.

Targeting the Tourist Population

Specialty shopping centers, like the one in San Diego's Old Town (which is roughly equivalent to Albuquerque's Old Town in terms of ambiance), primarily target tourists. These specialty highly themed developments are successful when they are marketed within the context of a broader tourist program. The location of such developments and their proximity to tourist attractions is an important factor to their success. The proximity of the De Anza Motor Lodge site to the Nob Hill area makes the attraction of day tourists to the center a possibility. If this area is going to attract the necessary amount of day-tourist and visitor traffic for success, shoppers will want to feel safe and security will need to be highly visible.

Prevailing Conditions

Land Use and Zoning

Half of the project area is governed by the Nob Hill Sector Plan (between Carlisle Boulevard and Washington Street) and is zoned primarily for SU-2 (Special Neighborhood Zone) with OR (Office Residential) and CCR (Community Commercial Residential) zoning designations that promote mixed-use. The part of the MRA that is

outside the Nob Hill Sector Development Plan is predominately zoned C-2. There is a need for rezoning in this area that allows for mixed-use.

Characteristics

The area encompasses 235 acres of developed and vacant land, some of which has as a blighting influence on the area. The Highland-Central area has a high incidence of vacant and blighted buildings. In order to be sustainable, the many antique furniture shops need additional traffic generated from other viable businesses in the area.

Transportation

Central Avenue is designated as a Major Transit Corridor in the Centers and Corridors Plan and is an important part of the proposed upgrade to the City's transit system. The site and its surroundings are currently not pedestrian oriented. If clustered parking is provided and sympathetic master planning undertaken, the site could become a park-once type of destination.

IMPLEMENTATION AND FUNDING SOURCES

Streetscape Implementation

The City should begin by undertaking the streetscape and other public improvements described above to create a more appealing and pedestrian-friendly shopping environment.

It is important that both the neighborhoods affected by this plan and Metropolitan Redevelopment Agency, the sponsors of this redevelopment effort, coordinate the objectives of this plan with those of the city's Capital Improvements Program.

The cost of the streetscape improvements, including design fees, on Central Avenue from Carlisle to San Mateo are roughly estimated at \$6 million to \$8 million. Currently \$450,000 has been appropriated by the State for these streetscape improvements. Some funding may be available through a cost sharing agreement with the Capital Improvements Program. Additional financing sources to complete the project could be made available through funds generated by General Obligation Bonds that would be approved by the electorate in 2005. Financing sources for smaller elements of the project or accessory projects (bus shelters, public arts projects, or street furniture, for example) include the Capital Improvements Programs funded through General Obligation Bonds. Approximately \$2,000,000 of CIP funds is set aside in each cycle for competitive applications by neighborhood associations. Additional money is available for small-scale, culturally oriented projects through the Urban Enhancement Trust Fund, also administered by CIP. Funding for maintenance of the existing street infrastructure, transit related development, and the provision of trails could also be available from the ¼ of a cent optional gross receipts tax for roads.

Metropolitan Redevelopment Tools for Implementation

1. Zoning (relates to strategy #2)

Modify current C-2 zoning so that live/work use is allowed. Artisan manufacturing, artist lofts, cottage industries, and food production, such as catering & bakeries should be encouraged.

Modify allowable setbacks so that new buildings create a street wall. Building entrances should face the primary street and be pedestrian accessible. Parking should be in the rear or in new parking structures. Existing businesses with front lots should be allowed to create front patios that cater to pedestrians.

Reduce the number of required on-site parking spaces for new businesses. Parking needs should be met with on-street parking and shared parking structure facilities whenever possible. Parking lot access should be from side streets and the number of curb cuts limited so that sidewalks are safe for pedestrians.

2. Streetscape (relates to strategies #1, #2 & #6)

Make the street more pedestrian friendly by bringing back on-street parking, design for safe pedestrian street crossings, utilize traffic-calming techniques, widen sidewalks, add street furniture, and install landscaping and pedestrian scale lighting. A modern streetcar/light rail system is being designed at this time, therefore all streetscape features should be evaluated for compatibility with the proposed rail system. Institute a Façade Improvement Program that includes design guidelines.

3. Building Design Standards (relates to strategies #1, #3, & #8)

Develop design regulations for the Highland-Central MRA using the Nob Hill Sector Plan design guidelines as a model and define building types that are already in the area. Develop landscaping requirements that encourage the use of southwestern/xeric plants. Develop a street tree plan, including designs that avoid conflict with utility lines. Use design standards to encourage use of shade as part of the building design with canopies, awnings, overhangs, and walls. Establish and enforce glazing minimums for the ground floor of buildings. Encourage the retention and rehab of historic signs and neon. Review the sign ordinance to determine whether scale and spacing of signs can be improved for better readability. Improve on-site lighting requirements, maintenance and enforcement.

4. Historic Preservation (relates to strategies #9 & #5)

Preserve buildings by remodeling for appropriate new uses. The Zia Lodge, De Anza Lodge, Desert Sands Motor Hotel, former Whites Department Store, former J.C. Penny store, Highland Theater complex, GEM Building and the Highland Swing Miniature Golf all have historic value. Other buildings that are worth noting because of their design or landmark qualities are the Firestone Store, First Security Bank tower, Albuquerque National Bank, and New Chinatown.

5. Community Centers and Social Services Linkages (relates to strategies #1, #3, #5 & #7)
Clarify how to best meet the needs of the homeless population in the area by providing a professional assessment of established social service agencies, such as the Red Cross and YWCA. Evaluate how established centers of community activity such as the Highland Senior Center, the Highland High School, and the Highland Pool can be linked to strengthen their services.
6. Land Development (relates to strategies #3, #4, #5, & #8)
Target new construction for properties that are vacant, underutilized or do not have structures with historic character.
7. Housing (relates to strategies #2, #4, #5, #6 & #7)
Increase residential density along Central Avenue in the commercial corridor and transition areas in order to promote Central Avenue business revitalization and pedestrian character of the area. A comprehensive housing analysis should be done that shows how a niche market can be created that meets housing needs in the area. Develop a variety of housing types; include an affordable component that is indistinguishable from the market rate housing.
8. Linkages (relates to strategies #2, #6 & #9)
 - a. Transportation
Build on existing nodes of activity that already exist in the Highland/Central area. Utilize transportation systems along Central Avenue to link other nearby nodes of activity such as Nob Hill, the University and Downtown to the West as well as the Hiland Theatre, State Fair Grounds and the International Market Place to the East. Central Avenue is designated as a Major Transit Corridor in the Centers and Corridors Plan and is one of the alignment alternatives being evaluated in the City's proposed Rapid Transit Project. A light rail system that runs along Central could act as a catalyst for redevelopment in the area.
 - b. Central Avenue and its History
Capitalize on the unique historic character of Route 66 as a way to capture tourism and utilize as a potential strategy for commercial revitalization in the area. Promote New Mexico's Route 66, designated as a State Scenic Byway in December of 1994, and the unique neighborhood character that is an important part of this community's identity.
 - c. Pedestrian Orientation
Increase pedestrian activity at the street level by improving the quality of design in the built environment, creating a mix of uses, and locating of those uses within walking distance of each other.
 - d. Collaboration
Develop a network of services and programs that create a strong program for successful revitalization. Target public sector dollars and partner private sector efforts that are entrepreneurial and market driven, with non-profit community based economic development organizations.

Funding Sources

A number of funding sources from local, State and Federal agencies have been identified as potential opportunities to finance the implementation of the Central/Highland/Upper Nob Hill MR Plan.

A. Public/Private Partnerships

There are a number of opportunities for partnerships to occur between these various entities. Partnerships hold the highest potential for redevelopment opportunities to occur in the Central/Highland/Upper Nob Hill area. The City can provide incentives through public financing, land holdings, or eminent domain authority, to serve as incentive/collateral for groups such as the NM Community Development Loan Fund, Accion, Wesstcorp, Small Business Association and private developers.

B. New Mexico Community Development Loan Fund

The New Mexico Community Development Loan Fund is a private, non-profit organization that provides loans, training and technical assistance to business owners and non-profit organizations. Their services support the efforts of low-income individuals and communities to achieve self-reliance and control over their economic destiny. Loans are available to new and existing small businesses for such needs as equipment, inventory, building renovations and operating capital. They provide loans to non-profits for such needs as bridge financing against awarded private and public contracts, capital improvements and equipment, and loans to non-profits that develop affordable housing.

This program provides loans of up to \$250,000 to municipalities and counties to construct or implement projects necessary to encourage the location or expansion of industry, in order to create jobs, stimulate private investment, promote community revitalization, and expand the local tax base. Eligible uses include infrastructure improvements, rehabilitation or installation of public facilities, site improvements and utilities, and commercial or industrial buildings or structures and other commercial or industrial real property improvements.

C. Tax Increment Financing Districts

Tax increment financing is created through a local government's property tax assessment. The incremental difference in tax is used to finance the improvement within the district. In NM, tax increment financing is enabled in forms through the Metropolitan Redevelopment Code, Enterprise Zone Act and the Urban Development Law. The City of Albuquerque uses tax increment financing within its designated Metropolitan Redevelopment Areas (MRA). Creating a TIF District of the entire Central/Highland/Upper Nob Hill MRA could be beneficial, although additional research and analysis are needed.

D. Capital Improvement Plan

The City of Albuquerque's Capital Improvement Plan (CIP) is to enhance the physical and cultural development of the City by implementing the Albuquerque/Bernalillo County Comprehensive Plan and other adopted plans and policies. Through a multi-year schedule of public physical improvements, CIP administers approved Capital

Expenditures for systematically acquiring, constructing, replacing, upgrading and rehabilitating Albuquerque's built environment. In practice, the CIP develops, and sometimes directly implements, diverse projects and improvements to public safety and rehabilitation of aging infrastructure such as roads, drainage systems and the water and wastewater network, public art projects, libraries, museums, athletic facilities, parks and trails, and Senior, Community and Multiservice Centers.

E. Industrial Revenue Bonds (IRB)

An IRB is a form of tax-exempt municipal bond issued by a state or local government entity to finance the acquisition, construction or equipping of a facility. IRB tax-exempt financing for manufacturing projects has been restored under the federal Revenue Reconciliation Act of 1993 on a permanent basis. Today IRBs continue to provide companies with an important alternative to conventional financing of manufacturing projects. Cities, public agencies, development authorities, and similar entities can issue tax-exempt, private-activity, industrial revenue bonds for manufacturing projects. All issuances are subject to state-wide volume caps. Some states offer umbrella programs to finance several smaller projects from a single issue; this is the case in Albuquerque, where revenue bonds could promote local economic development by encouraging local businesses and making it a priority to hire a higher wage local work force.

The City can issue IRBs to finance privately-operated development projects. The project financed is actually owned by the City and leased to the private company under a finance lease; the lease payments cover the cost of the debt service. The principal benefit to the company is exemption from property taxes for the term of the lease as well as certain gross receipts taxes.

IRB financing can be used for headquarter office buildings, warehouses, manufacturing facilities, service-oriented facilities not primarily engaged in the sale of goods and commodities at retail, health care facilities, warehouse and distribution facilities, irrigation systems, and office buildings in certain instances. Facilities primarily for the sale of goods at retail within the boundaries of a municipality are not eligible.

F. Transportation and Equity Act for the 21st Century (TEA-21)

Federal TEA-21 Enhancement funds, in excess of \$200 billion, is allocated to integrate transportation projects with environmental and community revitalization goals over a period of six years. TEA-21 funds are applicable beyond highways, road and transit maintenance – funds may also be used for relevant environmental restoration, pollution abatement, historic preservation, trails, bike paths and pedestrian infrastructure including aesthetic enhancements.

G. State Financing Programs

1. Business Loans

The State of New Mexico has several loan programs to support business expansion and relocation to the state.

- Business Bonds

- Private Activity Bonds for Manufacturing Facilities
- Real Property Business Loan
- Severance Tax Permanent Fund/Participation Interests in Business Loans
- Severance Tax Permanent Fund/Purchases of SBA/FMHA Obligations

H. Federal Financing Programs

Loans

1. EDA's Title IX

EDA's Title IX program deals with two types of problems: "sudden and severe" economic dislocations (SSED), such as plant closings; and long-term economic deterioration (LTED) of the local economic base. SSED grants are used to prepare an adjustment strategy or carry out projects that will save jobs or create new ones for dislocated workers. By approaching SSED creatively, local officials could link Title IX resources to a number of financing needs present at Brownfield locations, especially at sites where a long-time industrial operation has just shut down. LTED grants typically are made to establish or recapitalize locally-managed revolving loan funds that support business development; these funds are designed to overcome specific capital market gaps and encourage business activity. EDA's participation in revolving loan funds through the Title IX program has been especially effective at retaining small companies in distressed areas; such funds could be designed to play a prominent role in helping companies set up or maintain operations at Brownfield sites.

2. HUD funds for local CDBG loans and "floats"

Community Development Block Grants are used to finance locally determined activities and can include coping with contamination and financing site preparation or infrastructure development. Eligible activities include planning for redevelopment, site acquisition, environmental site assessment, site clearance, demolition, rehabilitation, contamination removal and construction. Also, when a grant recipient can show that previously awarded CDBG funds will not be needed in the near term, it may tap its block grant account on an interim basis, using a "float" to obtain short-term, low interest financing for projects that create jobs. Money borrowed from grants in this way may pay for the purchase of land, buildings and equipment, site and structural rehabilitation (including environmental remediation) or new construction.

The City of Albuquerque receives an annual Community Development Block Grant from the U.S. Department of Housing and Urban Development to fund redevelopment activities in low and moderate income communities across the City. The City's consolidated plan, which specifies how the funds are to be spent over a five-year period, has established several programs that could support redevelopment activities in the Central/Highland/Upper Nob Hill MRA: Crime Prevention through Environmental Design (CPTED), which funds neighborhood improvements designed to reduce crime and enhance security; Acquisition of Nuisance Property, which funds the purchase of

property creating conditions of slum and blight; Neighborhood Business Assistance Fund, which assists businesses with low-interest loans, façade improvements and technical assistance; and Job Training for Businesses in Low/Mod Areas, which provides funding for training employees,

3. EPA revolving loan funds

The Albuquerque and Bernalillo County Brownfield's Cleanup Revolving Loan Fund Pilot (BCRLF) is administered through a Coalition of City of Albuquerque and Bernalillo County. The Metropolitan Redevelopment Agency is designated as lead agency and the New Mexico Community Development Loan Fund acts as fund manager. The Albuquerque and Bernalillo County BCRLF were awarded \$1 million in May of 2000. Use of BCRLF monies is restricted to Brownfield properties that have been determined to have an actual release or substantial threat of release of a hazardous substance. These loans are used for the environmental cleanup of the properties.

4. SBA Micro loans

These loans are administered through responsible nonprofit groups, such as local economic development organizations or state finance authorities that are selected and approved by the SBA. The SBA loans the money to the nonprofit organization which then pools the funds with local money and administers direct loans to small businesses. SBA micro loans are administered much like a line of credit and are intended for the purchase of machinery and equipment, furniture and fixtures, inventory, supplies and working capital. The funds are intended to be dispersed with close monitoring of the recipient and a self-employment training program may accompany the loan. The maximum maturity for a micro loan is six years. The average loan size is \$10,000. The loan cannot be used to pay existing debts. They can be used to capitalize a Brownfield revolving loan fund.

5. SBA' Section 504 development company debentures

Small businesses can receive long-term capital for fixed assets from SBA-certified local development companies who issue notes backed by SBA. These resources can support up to 40 percent of a project's total costs, up to \$750,000. A private financial institution must provide 50 percent of the project financing, but has first claim on collateral. The remaining 10 percent of funding must be obtained from the developer, a non-federal economic development program, or owner equity.

Loan Guarantees

1. HUD Section 108 loan guarantees

Under Section 108, state and local governments receiving Cobs can receive federally guaranteed loans, often at lower interest rates, to cover the cost of multi-year development projects too large for single year financing with CDBG funding. City or state applicants can pledge up to five times their annual CDBG grants as collateral. State can also pledge their own CDBG allocation on behalf of their small cities.

2. SBA's Section 7(a) and Low-Doc programs

Under Section 7(a), SBA will guarantee up to 90 percent of private loans of less than \$155,000 to small businesses and up to 85 percent of loans between \$155,000 and \$500,000. The Low-Doc Program offers SBA-backing of 90 percent and a streamlined application, review, and approval process for guarantees of loans of less than \$100,000.

Grants

1. HUD's Brownfield Economic Development Initiative (BEDI)

HUD awards competitive BEDI grants to local and state governments in conjunction with Section 108 loan commitments. These grants may be used to provide additional security for the Section 108 loan, for project costs, or to reduce the interest rate. Brownfield's EDI grants are targeted specifically to Brownfield projects and must be used to improve the viability of projects financed with new Section 108 commitments.

2. HUD's CDBG Grants

The CDBG program, one of the nation's largest Federal grant programs, is administered by the Department of Housing and Urban Development to promote the revitalization of neighborhoods and the expansion of affordable housing and economic opportunities. This includes activities that support the redevelopment of properties in distressed areas if such activity supports the mission of the program. CDBG is a "bricks and mortar" program, with the rehabilitation of affordable housing traditionally being the largest single use of CDBG funds.

3. EDA Title I and Title IX

Grants are available to government and nonprofit organizations in distressed areas to fund improvements in infrastructure and public facilities, including industrial parks.

4. Army Corps of Engineers (cost-shares services)

The Corps is a partner with the Environmental Protection Agency and other federal agencies in helping communities prevent, assess, safely clean up and sustainably reuse Brownfields. The Corps can lend its engineering and design services at low to no cost.

Equity capital

1. SBA's Small Business Investment Companies

Licensed and regulated by the SBA, SBIC's are privately owned and managed investment firms that make capital available to small businesses through investments or loans. The use of their own funds plus funds obtained at favorable rates with SBA guaranties and/or by selling their preferred stock to the SBA.

Tax incentives and tax-exempt financing

1. Historic Rehabilitation Tax Credits

Investors can receive a credit against their total income taken for the year in which a rehabilitated building is put into service. Rehabilitation of certified historic structures

qualifies for a credit equal to 20 percent of the cost of the work; rehabilitation work on non-historic structures built before 1936 qualifies for ten percent.

2. New Markets Tax Credits (NMTC)

The NMTC Program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). Substantially all of the qualified equity investment must in turn be used by the CDE to provide investments in low-income communities. The credit provided to the investor totals 39% of the cost of the investment and is claimed over a seven-year credit allowance period. In each of the first three years, the investor receives a credit equal to five percent of the total amount paid for the stock or capital interest at the time of purchase. For the final four years, the value of the credit is six percent annually. Investors may not redeem their investments in CDEs prior to the conclusion of the seven-year period.

3. Low-income Housing Tax Credits (LIHTC)

The LIHTC program offers a ten year credit for owners of newly constructed or renovated rental housing and sets aside a percentage of the units for low-income individuals for a minimum of 15 years. The amount of the credit varies for new construction and renovation. The project must receive allocation of New Mexico State's annual credit ceiling or use multi-family housing tax-exempt bonds that receive allocation of New Mexico State's bond volume cap. Allocations are made on the basis of the New Mexico State Qualified Allocation Plan.

CATALYTIC PROJECTS

De Anza Motor Lodge

De Anza Motor Lodge is a historically significant property for the Nob Hill / Highland area, for the City of Albuquerque, for Route 66, and for the nation. The De Anza was developed by CG Wallace, an established trader in Zuni and Navajo artwork, later embellished by Zuni craftsmen, and the design renovation as completed by SMPC in the 1960s. Completed in 1939, the hotel was named after Spanish Lieutenant Juan Batista de Anza for his bravery in mounting a rescue mission to save the Hopi pueblo from starvation and attack. De Anza went on to become territorial governor of New Mexico from 1778-1788. The De Anza trail across the United State has also become the first National Historic Trail (www.nps.gov/tuma/Anzatrail.htm)

In 1951, Mr. Wallace commissioned Zuni tribe artist, Tony Edaakie to paint on the basement wall of the facility a series of Shalako dancers in a religious ceremony. This is the only piece of artwork of this quality that exists off the Zuni pueblo. The property is now listed on the National Register of Historic Places. The criteria for inclusion in this program include:

The quality of significance in American history, architecture, archeology, engineering, and culture is present in districts, sites, buildings, structures, and objects that possess

integrity of location, design, setting, materials, workmanship, feeling and association, and:

- A. That are associated with events that have made a significant contribution to the broad patterns of our history; or
- B. That are associated with lives of persons significant in our past; or
- C. That embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or
- D. That has yielded or may be likely to yield, information important in prehistory or history.

Summary of the De Anza Market Study

Demographics Analysis

The De Anza sub-market is the second most viable retail market after the Uptown area, and has a larger population than the Downtown, Oldtown, and Uptown markets.

Location Analysis

Based on a location analysis, the De Anza and its immediate area best supports a lodging use, followed by a residential, then office, and lastly retail. Industrial was not considered as it is a use that is not compatible with the area's zoning or existing uses.

Site Analysis

The property is situated on 2.05686 acres of CCR zoned land which allows uses similar to R-3/C-2. The improvements include an 88 unit motel. Built in 1939, the property's current physical layout and design is most conducive to being used as a lodging facility, then residential, retail and office.

Market Analysis

From a residential stand point, residential is the strongest possible use as the market is forecasted to be at 95% occupancy by the time the De Anza could be converted in use to residential. The weakest demand is for office space with a vacancy rate of 12.9%. Retail use is strong, but the property in its current state is not physically suitable for retail use. While suffering from the weakened national conditions, the lodging market is strong enough to support the continued use of De Anza as a motor lodge, but rents would need to be increased to support renovations at the property.

Based on the above analysis, residential and lodging were considered "go" decisions, and retail and office were considered "no-go" decisions for redevelopment.

Financial Analysis – Highest and Best Use

Based on estimated renovated costs and potential income and expenses, and assuming a purchase price of \$891,000, a residential redevelopment has the unlikely potential for a profit, while lodging has the potential to earn a development profit of \$711,368.

Based on neighborhood responses, focus groups and direct interviews, lodging is the preferred use.

Demographic Analysis of the De Anza Trade Area

As a measure of comparison for the De Anza trade area, this study compared a one mile radius around the middle of Old Town, Downtown, Uptown and the De Anza area to highlight any similarities between these trade areas, and discover possible demographic Gap's for the area. (Gap is an imbalance between two different areas that might be an indicator of demand for that demographic variable).

- The De Anza sub-market has a larger population, higher population density, higher income levels, and a larger concentration of white collar works.
- The De Anza submarket has fewer people per household than the rest of the submarkets, and an average income level per capita that is almost twice as high as the downtown sub-market.

Demographic Analysis – Retail

Interestingly enough, the De Anza demographic radius ranks 2nd only to Uptown in number of retail establishments.

The De Anza area also ranks 2nd only to Downtown in total employees, and in 3rd place in total establishments.

With total retail sales of \$408,533,000 the De Anza area is twice as large as Downtown's retail sales, almost three times as large as Old Town's retail sales, and 2nd only to Uptown in retail sales.

Based on the demographic information collected, the De Anza area is positioned to take advantage of the improving condition of the area.

The business summary below indicates that the De Anza area has the 3rd highest employment base, behind Downtown at 35,589 and Uptown at 18,367, with the second highest sub-market for retail sales, behind only the Uptown submarket.

POSSIBLE FUTURE PROJECTS

- De Anza Motor Lodge
- Hiland Theatre Area (see the Master Plan description & design for this area as a catalytic project - public comment requested additional research on this area)
- Antique Area (see the Retail Strategy in the Master Plan that includes this area - public comment requested that this area be developed as another catalytic project)
- Royal Motor Inn block
- Iceland Bowl block (renovate or build a new facility to house the International Indoor Soccer Games)

- Build a parking structure(s)
- Implement strategies that improve walk-ability and encourage transit-oriented development
- Re-stripe both sides of Central Avenue for on-street parking
- Move electric lines underground

FUTURE COMMUNITY ISSUES THAT REQUIRE FURTHER DISCUSSION IN THE SECTOR PLAN UPDATE PROCESS

1. Master Plan designs for roundabouts, bulb-outs, landscaping, and parking need to be evaluated for compatibility with the proposed modern streetcar/light rail system.
2. Best location for trees and type of trees to plant.
3. Should the proposed future rail system be mixed in with traffic or have its own dedicated lane?
4. Define difference in character for three areas along Central (Girard to Carlisle, Carlisle to Washington, & Washington to San Mateo) in order to customize design regulations.
5. Tools that can be used to achieve design standards; advantages of an Urban Conservation Overlay Zone vs. a Design Overlay Zone.
6. Current need for street furniture - bus shelters, trash receptacles, bike racks, sidewalk café seating areas and umbrellas.
7. Current need for parking lagoons and structures.
8. Possibility of implementing solar powered street lights as a Green Project.
9. Create a link between Nob Hill and the MR Plan area by making improvement of the block from Carlisle to Hermosa a priority.
10. Affordable housing:
 - Require 20% affordable housing when new market rate housing is constructed with developer incentives?
 - Set up a program for renovating existing homes?
 - Allow accessory units to be built only if owner resides on property?
11. How can views from Central Avenue be preserved?
12. Is the historic character significant enough to establish a Historic district? How can the area's identity be expressed/expanded/preserved?
13. Should changes be made to the State alcohol ordinance to allow for desirable new development that is now prohibited near a church?

AUTHORIZING LEGISLATION

APPENDIX A

MASTER PLAN FOR

CENTRAL- HIGHLAND- UPPER NOB HILL

ALBUQUERQUE, NEW MEXICO

The design and regulations shown in the attached Master Plan are only recommendations in the adoption of the Metropolitan Redevelopment Plan. The design and regulations, after further discussion, can be revised and implemented as part of the Nob Hill Sector Development Plan update. Customized design regulations for the area along Central Avenue, between Carlisle Boulevard and Washington Street, will be developed in the Sector Plan update process.